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SUBJECT: UNGA/C-5: D/SYG MIGIRO ADDRESSES FIFTH COMMITTEE  
ORGANIZATIONAL SESSION

¶1. (U) Summary. The Committee on Administration and Budget of the United Nations General Assembly (Fifth Committee) met for its organizational session on October 5. Deputy Secretary-General Asha-Rose Migiro addressed the Committee.

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She conveyed Secretary General Ban Ki-moon's priorities for completion of Performance Compacts, strengthening internal management bodies, and proposed improvements in various reform areas. Interventions from delegations, including the U.S., followed. The Committee approved the program of work for this session. Under Secretary-General for Management Alicia Barcena conducted a briefing on the reform and management of the UN. End Summary.

¶2. (U) Deputy Secretary-General Migiro addressed the 5th committee at its opening meeting for the 62nd UNGA on October ¶5. The U.S. Delegation welcomed her presentation, as we have encouraged the D/SYG to be more engaged in management reform issues in the past. During her remarks, D/SYG Migiro expressed the Secretary General's firm commitment to an administration "focused on results - efficient, directed, pragmatic, and accountable...representing excellence, integrity and pride in serving the global good." She acknowledged the Member States' call for strengthened accountability in the UN, and discussed the Secretary General's efforts in management of complex peacekeeping operations, firming up the UN's conflict prevention capacity. D/SYG Migiro also discussed the process of dialogue associated with completion of Performance Compacts with Secretariat senior managers. She expressed SYG Ban's and her

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commitment to strengthening internal management bodies such as the Management Performance Board and the Management Committee as a means of reinforcing the accountability framework.

¶3. (U) D/SYG Migiro enumerated several items for which SYG Ban is calling for urgent action. The first is the proposed programme budget for 2008-2009 and a number of add-ons to fund reform schemes. She also told the Committee about several forthcoming reports outlining efforts to improve internal controls, accountability, and procurement reform. She asked Member States to take action on reforms relating to the management of UN human resources and global resource-management technology.

¶4. (U) Various delegations intervened, including Portugal, on behalf of the European Union, Pakistan, on behalf of the Group of 77 and China, the Dominican Republic on behalf of the Rio Group, Tanzania on behalf of the African Group, the United States, Honduras, Bangladesh, and Canada. The EU and G-77/China expressed concern about the delayed issuance of reports. The EU stated the main task of the Committee is the 2008-2009 budget, along with other priorities of funding peacekeeping missions and broader issues of management

reform. The G-77 called for transparency in budget deliberations, opposing small-group configuration and imposition of any conditionality in the budget negotiations. The Rio Group emphasized their priorities of adequately funding the development accounts and equitable contributions by Member States under the Scale of Assessments.

¶5. (U) Ambassador Mark Wallace intervened on behalf of the U.S. Delegation, laying out U.S. priorities to aim for zero growth in the budget and a real and effective mandate review. In the area of management reform, the U.S. Delegation called for a system-wide code of ethics, the operational independence of the UN Office of Internal Oversight Services, and adherence to a formal internal control framework and reform of the procurement process based on the Secretariat's forthcoming reports. In the human resources management arena, the U.S. Delegation urged overhaul of the existing system for administering justice for UN personnel and mechanisms for recruiting and retaining competent personnel - regularizing contracts, conditions of service, training, and staff mobility. The U.S. Delegation also emphasized the importance for the UN to realistically assess outputs and activities. The full U.S. statement is included below in paragraph 8.

¶6. (U) Following interventions from Committee Members, the Committee approved the program of work (A/C.5/62/1, A/C.5/60/L.1) by consensus.

¶7. (U) Under-Secretary General for Management Alicia Barcena also briefed the Fifth Committee on management reform issues. Of note were budgetary add-ons, details on the new Administration of Justice system (AOJ), and proposed acceleration of the Capital Master Plan (CMP). Budget add-ons include \$23.5 million in funding for a decentralized system for the AOJ to meet the current decentralized nature of work of the UN. The three pillars of the AOJ entail an enhanced Ombudsman function and mediation, a new management evaluation capacity, and a two-tier system of formal independent judicial review. Budget add-on is also requested

for initial funding of \$25 million for Enterprise Resource Planning (ERP) to implement an integrated global information system. Following an audit on the delays and potential cost overruns of the CMP, the revised strategy is a compressed schedule that moves all Secretariat staff to a swing space at the same time, bringing implementation timelines down from seven years to five, and keep costs within the \$1.88 billion approved budget.

¶8. (U) U.S. Statement -

Mr. Chairman, the United States joins other members in conveying our congratulations and warm welcome to you as our new incoming Fifth Committee chairman. We also congratulate and welcome the other new members of the Bureau for the 62nd Session.

We are about to embark on a Fifth Committee session that will take this Committee through challenging discussions and at times tough decisions concerning the work of the United Nations for the next two years. Our collective task in the weeks and months ahead will be to determine the appropriate level of resources needed to support the activities performed by this Organization for the benefit of people around the world. We must ensure that the programs on which millions depend are adequately financed. At the same time, given the substantial increase proposed for the biennium 2008-2009 budget, we must ensure that our decisions are fiscally responsible and that the resources provided by Member States are used in an effective and efficient manner for the good of those who benefit from UN programs. Even putting aside for a moment the resources that likely will be required to implement major reforms that we already have or will be adopting, this proposed biennium budget totals well over \$4 billion. It is imperative that we manage the UN's resources wisely. Good management is in everyone's best interest,

obviously. Poor management serves no one. Member States should reasonably expect the Organization to use the resources we provide as efficiently as possible in carrying out mandates.

As a sign of good management, we should aim for zero growth in the budget at all times, and especially in times of limited resources. We must realistically seek to control growth in the budget while ensuring there are sufficient funds to meet the mandates authorized by Member States. In the last 100 years no institution has survived effectively without introspectively seeking to prioritize expenditures and reprogramming budgets to cut back on certain redundant or less robust programs and redirecting resources to new challenges and priorities. In fact the future of this institution depends on such sound management and governance.

The United States continues to believe that the value of this Organization and the work that it performs depend on our ongoing efforts to make the UN a more efficient, effective, transparent and accountable institution. During the past two years, we have collectively achieved some progress. But we must accomplish more.

As we consider the significant financial requirements needed to sustain the work of this Organization, we also should be discussing the modification or elimination of current mandates that are duplicative, redundant, or no longer relevant. That process, called for by world leaders during the September 2005 Summit, has not happened and there is not a viable current path for real mandate review. The purpose of that review was to strengthen the program of work of the Organization and to ensure that the resources provided by Member States are allocated efficiently and effectively to maximize their benefit. While we continue to believe that mandate review is important, we should not proceed unless we have identified a process that can achieve real and tangible results. Merely continuing consultations among Member States on mandate review during the 62nd Session without a viable framework for producing a significant impact on the work of the Organization as anticipated by world leaders is not the answer.

In September 2005, world leaders sought to ensure ethical conduct, more extensive financial disclosure for United Nations officials, and enhanced protection for those who reveal wrongdoing within the Organization. We urge Secretary-General Ban to ensure that these and other reforms

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outlined in the World Summit Outcome Document are fully implemented, especially finalizing a system-wide code of ethics and applying the authority of the Ethics Office and the policies it oversees throughout the Organization, including the Funds and Programs. In addition, we strongly urge all senior UN officials to follow the examples of the Secretary-General and Deputy Secretary-General by making

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public their financial disclosure statements. In fact, the credibility of those organizations is at stake - they must

adopt these same high standards of institutional and personal ethics, transparency and accountability.

In the area of oversight, we now have an Independent Audit Advisory Committee, whose members will be selected in early November. That Committee will advise the General Assembly on the scope, results and effectiveness of existing internal oversight mechanisms and offer recommendations on how such oversight functions can be strengthened. We must guarantee the operational independence of the UN Office of Internal Oversight Services (OIOS) so that OIOS has sufficient resources to perform its core functions - audit, monitoring and evaluation, inspection, and investigations - free from any real or perceived influence by the very bodies or officials it is intended to oversee.

We also believe that it is essential that the UN adopt and adhere to a formal internal control framework to strengthen accountability and transparency and to ensure that financial accountability framework and achieve results-based management. In this regard, we strongly encourage the Secretariat to expedite completion of the relevant reports on these issues so that this Committee can take a number of long-overdue decisions concerning how best to manage risk in the Organization.

We cannot maximize the use of available resources in the absence of further improvements in UN procurement. In resolution 61/264, the General Assembly concluded, "procurement reform is an ongoing process and should focus, inter alia, on ensuring the efficiency, transparency and cost-effectiveness of United Nations procurement as well as strengthened internal controls." We note that Member States took important first steps by providing additional resources for staff training and calling for an Independent Bid Protest System. These were welcome developments. However, further changes are needed to ensure the rapid delivery of critical services and supplies in a cost-effective manner. The Secretary-General's forthcoming reports should help to guide

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our collective efforts to improve the management and organizational structure of UN procurement, and to clarify the relationship between headquarters and peacekeeping procurement.

Much still remains to be accomplished if we are to fulfill the vision of world leaders by making this Organization more efficient, accountable and transparent. Another area that demands our close attention is putting into place a complete overhaul of the existing system for administering justice for UN personnel. We made substantial progress on this matter during the 61st General Assembly session. However, many difficult details remain outstanding. Given that resolving the details is a very large and complicated undertaking that will have implications for the Organization and its staff for decades to come, we must proceed cautiously and judiciously.

We also cannot neglect improvements still required in human resources management. Important decisions must be made to regularize contracts and conditions of service, as well as training and staff mobility. Otherwise, this Organization will continue to face difficulties recruiting and retaining competent and well-qualified personnel who are capable of sustaining the UN's work.

Finally, I again underscore the ongoing importance for the Organization of having a realistic assessment of key outputs and activities. This analysis should be aimed at determining which outputs and activities are considered obsolete, of marginal usefulness, or ineffective. It remains imperative that the Organization's limited resources be used efficiently and effectively and that they be targeted on high-priority programs that produce results.

We have an ambitious agenda ahead of us. We look forward to working constructively with you, Mr. Chairman, with other members of the Bureau, with the Secretariat, and most importantly, with our fellow Committee members, to reach consensus on a 2008-2009 biennium budget and to improve the overall functioning and effectiveness of the Organization.

Khalilzad